

COMMITTEE REPORTS
CONFERENCE COMMITTEE
House Report 108-342 - To accompany H.R. 2559
Nov. 4, 2003

108TH CONGRESS }
1st Session }

HOUSE OF REPRESENTATIVES

{ REPORT
108-342

**MAKING APPROPRIATIONS FOR MILITARY CONSTRUCTION,
FAMILY HOUSING, AND BASE REALIGNMENT AND CLOSURE FOR
THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 2004, AND FOR OTHER PURPOSES**

November 4, 2003 —Ordered to be printed

Mr. KNOLLENBERG, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 2559]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2559) “making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2004, and for other purposes,” having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated for military construction, family housing, and base realignment and closure functions administered by the Department of Defense, for the fiscal year ending September 30, 2004, and for other purposes, namely:

MILITARY CONSTRUCTION, ARMY

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent

public works, military installations, facilities, and real property for the Army as currently authorized by law, including personnel in the Army Corps of Engineers and other personal services necessary for the purposes of this appropriation, and for construction and operation of facilities in support of the functions of the Commander in Chief, \$1,448,239,000, to remain available until September 30, 2008: Provided, That of this amount, not to exceed \$126,833,000 shall be available for study, planning, design, architect and engineer services, and host nation support, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: Provided further, That of the funds appropriated for "Military Construction, Army" under Public Law 107-249, \$137,850,000 are rescinded: Provided further, That of the funds appropriated for "Military Construction, Army" under Public Law 107-64, \$24,000,000 are rescinded: Provided further, That of the funds appropriated for "Military Construction, Army" under Public Law 106-246, \$17,415,000 are rescinded: Provided further, That of the funds appropriated for "Military Construction, Army" under Public Law 106-52, \$4,350,000 are rescinded.

MILITARY CONSTRUCTION, NAVY

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, \$1,238,458,000, to remain available until September 30, 2008: Provided, That of this amount, not to exceed \$71,001,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: Provided further, That of the funds appropriated for "Military Construction, Navy" under Public Law 107-249, \$27,213,000 are rescinded: Provided further, That of the funds appropriated for "Military Construction, Navy" under Public Law 107-64, \$18,409,000 are rescinded.

MILITARY CONSTRUCTION, AIR FORCE

(INCLUDING RESCISSION)

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, \$1,067,751,000, to remain available until September 30, 2008: Provided, That of this amount, not to exceed \$95,778,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: Provided further, That of the funds appropriated for "Military Construction, Air Force" in Public Law 107-249, \$23,000,000 are rescinded.

MILITARY CONSTRUCTION, DEFENSE-WIDE

(INCLUDING RESCISSION AND TRANSFER OF FUNDS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for activities and agencies of the Department of Defense (other than the military departments), as currently authorized by law, \$773,471,000, to remain available until September 30, 2008: Provided, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction or family housing as he may designate, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: Provided further, That of the amount appropriated, not to exceed \$65,130,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: Provided further, That of the funds appropriated for "Military Construction, Defense-wide" under Public Law 107-249, \$72,309,000 are rescinded.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, \$311,592,000, to remain available until September 30, 2008.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, \$222,908,000, to remain available until September 30, 2008.

MILITARY CONSTRUCTION, ARMY RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, \$88,451,000, to remain available until September 30, 2008.

MILITARY CONSTRUCTION, NAVAL RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, \$45,498,000, to remain available until September 30, 2008.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 1803 of

title 10, United States Code, and Military Construction Authorization Acts, \$62,032,000, to remain available until September 30, 2008.

NORTH ATLANTIC TREATY ORGANIZATION

SECURITY INVESTMENT PROGRAM

(INCLUDING RESCISSION)

For the United States share of the cost of the North Atlantic Treaty Organization Security Investment Program for the acquisition and construction of military facilities and installations (including international military headquarters) and for related expenses for the collective defense of the North Atlantic Treaty Area as authorized in Military Construction Authorization Acts and section 2806 of title 10, United States Code, \$169,300,000, to remain available until expended: Provided, That of the funds appropriated for "North Atlantic Treaty Organization Security Investment Program" under Public Law 107-249, \$8,000,000 are rescinded.

FAMILY HOUSING CONSTRUCTION, ARMY

(INCLUDING RESCISSION)

For expenses of family housing for the Army for construction, including acquisition, replacement, addition, expansion, extension and alteration, as authorized by law, \$383,591,000, to remain available until September 30, 2008: Provided, That of the funds appropriated for "Family Housing Construction, Army" under Public Law 107-249, \$94,151,000 are rescinded.

FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

For expenses of family housing for the Army for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, \$1,033,026,000.

FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS

(INCLUDING RESCISSION)

For expenses of family housing for the Navy and Marine Corps for construction, including acquisition, replacement, addition, expansion, extension and alteration, as authorized by law, \$184,193,000, to remain available until September 30, 2008: Provided, That of the funds appropriated for "Family Housing Construction, Navy and Marine Corps" under Public Law 107-249, \$40,508,000 are rescinded.

FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS

For expenses of family housing for the Navy and Marine Corps for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, \$835,078,000.

FAMILY HOUSING CONSTRUCTION, AIR FORCE
(INCLUDING RESCISSION)

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension and alteration, as authorized by law, \$657,065,000, to remain available until September 30, 2008: Provided, That of the funds appropriated for "Family Housing Construction, Air Force" under Public Law 107-249, \$19,347,000 are rescinded.

FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE

For expenses of family housing for the Air Force for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, \$816,074,000.

FAMILY HOUSING CONSTRUCTION, DEFENSE-WIDE

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for construction, including acquisition, replacement, addition, expansion, extension and alteration, as authorized by law, \$350,000, to remain available until September 30, 2008.

FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for operation and maintenance, leasing, and minor construction, as authorized by law, \$49,440,000.

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

(INCLUDING RESCISSION)

For the Department of Defense Family Housing Improvement Fund, \$300,000, to remain available until expended, for family housing initiatives undertaken pursuant to section 2883 of title 10, United States Code, providing alternative means of acquiring and improving military family housing and supporting facilities: Provided, That of funds available in the "Family Housing Improvement Fund", \$9,692,000 are rescinded.

BASE REALIGNMENT AND CLOSURE ACCOUNT

For deposit into the Department of Defense Base Closure Account 1990 established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991 (Public Law 101-510), \$370,427,000, to remain available until expended.

GENERAL PROVISIONS

SEC. 101. None of the funds appropriated in Military Construction Appropriations Acts shall be expended for payments under a cost-plus-a-fixed-fee contract for construction, where cost estimates exceed \$25,000, to be performed within the United

States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.

SEC. 102. Funds appropriated to the Department of Defense for construction shall be available for hire of passenger motor vehicles.

SEC. 103. Funds appropriated to the Department of Defense for construction may be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads as authorized by section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

SEC. 104. None of the funds appropriated in this Act may be used to begin construction of new bases inside the continental United States for which specific appropriations have not been made.

SEC. 105. No part of the funds provided in Military Construction Appropriations Acts shall be used for purchase of land or land easements in excess of 100 percent of the value as determined by the Army Corps of Engineers or the Naval Facilities Engineering Command, except: (1) where there is a determination of value by a Federal court; (2) purchases negotiated by the Attorney General or his designee; (3) where the estimated value is less than \$25,000; or (4) as otherwise determined by the Secretary of Defense to be in the public interest.

SEC. 106. None of the funds appropriated in Military Construction Appropriations Acts shall be used to: (1) acquire land; (2) provide for site preparation; or (3) install utilities for any family housing, except housing for which funds have been made available in annual Military Construction Appropriations Acts.

SEC. 107. None of the funds appropriated in Military Construction Appropriations Acts for minor construction may be used to transfer or relocate any activity from one base or installation to another, without prior notification to the Committees on Appropriations.

SEC. 108. No part of the funds appropriated in Military Construction Appropriations Acts may be used for the procurement of steel for any construction project or activity for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such steel procurement.

SEC. 109. None of the funds available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation.

SEC. 110. None of the funds appropriated in Military Construction Appropriations Acts may be used to initiate a new installation overseas without prior notification to the Committees on Appropriations.

SEC. 111. None of the funds appropriated in Military Construction Appropriations Acts may be obligated for architect and engineer contracts estimated by the Government to exceed \$500,000 for projects to be accomplished in Japan, in any NATO member country, or in countries bordering the Arabian Sea, unless such contracts are awarded to United

States firms or United States firms in joint venture with host nation firms.

SEC. 112. None of the funds appropriated in Military Construction Appropriations Acts for military construction in the United States territories and possessions in the Pacific and on Kwajalein Atoll, or in countries bordering the Arabian Sea, may be used to award any contract estimated by the Government to exceed \$1,000,000 to a foreign contractor: Provided, That this section shall not be applicable to contract awards for which the lowest responsive and responsible bid of a United States contractor exceeds the lowest responsive and responsible bid of a foreign contractor by greater than 20 percent: Provided further, That this section shall not apply to contract awards for military construction on Kwajalein Atoll for which the lowest responsive and responsible bid is submitted by a Marshallese contractor.

SEC. 113. The Secretary of Defense is to inform the appropriate committees of Congress, including the Committees on Appropriations, of the plans and scope of any proposed military exercise involving United States personnel 30 days prior to its occurring, if amounts expended for construction, either temporary or permanent, are anticipated to exceed \$100,000.

SEC. 114. Not more than 20 percent of the appropriations in Military Construction Appropriations Acts which are limited for obligation during the current fiscal year shall be obligated during the last 2 months of the fiscal year.

(TRANSFER OF FUNDS)

SEC. 115. Funds appropriated to the Department of Defense for construction in prior years shall be available for construction authorized for each such military department by the authorizations enacted into law during the current session of Congress.

SEC. 116. For military construction or family housing projects that are being completed with funds otherwise expired or lapsed for obligation, expired or lapsed funds may be used to pay the cost of associated supervision, inspection, overhead, engineering and design on those projects and on subsequent claims, if any.

SEC. 117. Notwithstanding any other provision of law, any funds appropriated to a military department or defense agency for the construction of military projects may be obligated for a military construction project or contract, or for any portion of such a project or contract, at any time before the end of the fourth fiscal year after the fiscal year for which funds for such project were appropriated if the funds obligated for such project: (1) are obligated from funds available for military construction projects; and (2) do not exceed the amount appropriated for such project, plus any amount by which the cost of such project is increased pursuant to law.

(TRANSFER OF FUNDS)

SEC. 118. During the 5-year period after appropriations available to the Department of Defense for military construction and family housing operation and maintenance and construction have expired for obligation, upon a determination that such appropriations will not be necessary for the liquidation of obligations or for making authorized adjustments to such appropriations for obligations incurred during the period of

availability of such appropriations, unobligated balances of such appropriations may be transferred into the appropriation "Foreign Currency Fluctuations, Construction, Defense" to be merged with and to be available for the same time period and for the same purposes as the appropriation to which transferred.

SEC. 119. The Secretary of Defense is to provide the Committees on Appropriations of the Senate and the House of Representatives with an annual report by February 15, containing details of the specific actions proposed to be taken by the Department of Defense during the current fiscal year to encourage other member nations of the North Atlantic Treaty Organization, Japan, Korea, and United States allies bordering the Arabian Sea to assume a greater share of the common defense burden of such nations and the United States.

(TRANSFER OF FUNDS)

SEC. 120. During the current fiscal year, in addition to any other transfer authority available to the Department of Defense, proceeds deposited to the Department of Defense Base Closure Account established by section 207(a)(1) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526) pursuant to section 207(a)(2)(C) of such Act, may be transferred to the account established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991, to be merged with, and to be available for the same purposes and the same time period as that account.

(TRANSFER OF FUNDS)

SEC. 121. Subject to 30 days prior notification to the Committees on Appropriations, such additional amounts as may be determined by the Secretary of Defense may be transferred to the Department of Defense Family Housing Improvement Fund from amounts appropriated for construction in "Family Housing" accounts, to be merged with and to be available for the same purposes and for the same period of time as amounts appropriated directly to the Fund: Provided, That appropriations made available to the Fund shall be available to cover the costs, as defined in section 502(5) of the Congressional Budget Act of 1974, of direct loans or loan guarantees issued by the Department of Defense pursuant to the provisions of subchapter IV of chapter 169, title 10, United States Code, pertaining to alternative means of acquiring and improving military family housing and supporting facilities.

SEC. 122. None of the funds appropriated or made available by this Act may be obligated for Partnership for Peace Programs in the New Independent States of the former Soviet Union.

SEC. 123. (a) Not later than 60 days before issuing any solicitation for a contract with the private sector for military family housing the Secretary of the military department concerned shall submit to the congressional defense committees the notice described in subsection (b).

(b)(1) A notice referred to in subsection (a) is a notice of any guarantee (including the making of mortgage or rental payments) proposed to be made by the Secretary to the private party under the contract involved in the event of—

(A) the closure or realignment of the installation for which housing is provided under the contract;

(B) a reduction in force of units stationed at such installation; or

(C) the extended deployment overseas of units stationed at such installation.

(2) Each notice under this subsection shall specify the nature of the guarantee involved and assess the extent and likelihood, if any, of the liability of the Federal Government with respect to the guarantee.

(c) In this section, the term "congressional defense committees" means the following:

(1) The Committee on Armed Services and the Military Construction Subcommittee, Committee on Appropriations of the Senate.

(2) The Committee on Armed Services and the Military Construction Subcommittee, Committee on Appropriations of the House of Representatives.

(TRANSFER OF FUNDS)

SEC. 124. During the current fiscal year, in addition to any other transfer authority available to the Department of Defense, amounts may be transferred from the account established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991, to the fund established by section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374) to pay for expenses associated with the Homeowners Assistance Program. Any amounts transferred shall be merged with and be available for the same purposes and for the same time period as the fund to which transferred.

SEC. 125. Notwithstanding this or any other provision of law, funds appropriated in Military Construction Appropriations Acts for operations and maintenance of family housing shall be the exclusive source of funds for repair and maintenance of all family housing units, including general or flag officer quarters: Provided, That not more than \$35,000 per unit may be spent annually for the maintenance and repair of any general or flag officer quarters without 30 days advance prior notification to the appropriate committees of Congress, except that an after-the-fact notification shall be submitted if the limitation is exceeded solely due to costs associated with environmental remediation that could not be reasonably anticipated at the time of the budget submission: Provided further, That the Under Secretary of Defense (Comptroller) is to report annually to the Committees on Appropriations all operations and maintenance expenditures for each individual general or flag officer quarters for the prior fiscal year.

SEC. 126. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

SEC. 127. No funds appropriated in this Act under the heading "North Atlantic Treaty Organization Security Investment Program", and no funds appropriated for any fiscal year before fiscal year 2004 for that program that remain available for obligation, may be obligated or expended for the conduct of studies of missile defense.

SEC. 128. (a) COMMISSION ON REVIEW OF OVERSEAS MILITARY FACILITY STRUCTURE OF THE UNITED STATES.—(1) There is established the Commission on the Review of the Overseas Military Facility Structure of the United States (in this section referred to as the “Commission”).

(2)(A) The Commission shall be composed of eight members of whom—

- (i) 2 shall be appointed by the Majority Leader of the Senate;*
- (ii) 2 shall be appointed by the Minority Leader of the Senate;*
- (iii) 2 shall be appointed by the Speaker of the House of Representatives; and*
- (iv) 2 shall be appointed by the Minority Leader of the House of Representatives.*

(B) Individuals appointed to the Commission shall have significant experience in the national security or foreign policy of the United States.

(C) Appointments of the members of the Commission shall be made not later than 45 days after the date of the enactment of this Act.

(3) Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(4) Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(5) The Commission shall meet at the call of the Chairman.

(6) A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(7) The Commission shall select a Chairman and Vice Chairman from among its members.

(b) DUTIES.—(1) The Commission shall conduct a thorough study of matters relating to the military facility structure of the United States overseas.

(2) In conducting the study, the Commission shall—

(A) assess the number of forces required to be forward based outside the United States;

(B) examine the current state of the military facilities and training ranges of the United States overseas for all permanent stations and deployed locations, including the condition of land and improvements at such facilities and ranges and the availability of additional land, if required, for such facilities and ranges;

(C) identify the amounts received by the United States, whether in direct payments, in-kind contributions, or otherwise, from foreign countries by reason of military facilities of the United States overseas;

(D) assess whether or not the current military basing and training range structure of the United States overseas is adequate to meet the current and future mission of the Department of Defense, including contingency, mobilization, and future force requirements;

(E) assess the feasibility and advisability of the closure or realignment of military facilities of the United States overseas, or of the establishment of new military facilities of the United States overseas; and

(F) consider or assess any other issue relating to military facilities of the United States overseas that the Commission considers appropriate.

(3)(A) Not later than December 31, 2004, the Commission shall submit to the President and Congress a report which shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation and administrative actions as it considers appropriate.

(B) In addition to the matters specified in subparagraph (A), the report shall also include a proposal by the Commission for an overseas basing strategy for the Department of Defense in order to meet the current and future mission of the Department.

(c) POWERS.—(1) The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this section.

(2) The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this section. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(3) Upon request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support necessary for the Commission to carry out its duties under this section.

(4) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(5) The Commission may accept, use, and dispose of gifts or donations of services or property.

(d) PERSONNEL MATTERS.—(1) Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission under this section. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2)(A) Members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter

I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission under this section.

(B) Members and staff of the Commission may receive transportation on military aircraft to and from the United States, and overseas, for purposes of the performance of the duties of the Commission to the extent that such transportation will not interfere with the requirements of military operations.

(3)(A) The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties under this section. The employment of an executive director shall be subject to confirmation by the Commission.

(B) The Commission may employ a staff to assist the Commission in carrying out its duties. The total number of the staff of the Commission, including an executive director under subparagraph (A), may not exceed 12.

(C) The Chairman of the Commission may fix the compensation of the executive director and other personnel without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(4) Any employee of the Department of Defense, the Department of State, or the General Accounting Office may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(5) The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(e) SECURITY.—(1) Members and staff of the Commission, and any experts and consultants to the Commission, shall possess security clearances appropriate for their duties with the Commission under this section.

(2) The Secretary of Defense shall assume responsibility for the handling and disposition of any information relating to the national security of the United States that is received, considered, or used by the Commission under this section.

(f) TERMINATION.—The Commission shall terminate 45 days after the date on which the Commission submits its report under subsection (b).

(g) FUNDING.—(1) Of the amount appropriated by this Act, \$3,000,000 shall be available to the Commission to carry out this section.

(2) The amount made available by paragraph (1) shall remain available, without fiscal year limitation, until September 2005.

This Act may be cited as the “Military Construction Appropriations Act, 2004”.

And the Senate agree to the same.

JOE KNOLLENBERG,

JAMES T. WALSH,

ROBERT B. ADERHOLT,

KAY GRANGER,

VIRGIL GOODE,

DAVID VITTER,

JACK KINGSTON,

ANDER CRENSHAW,

BILL YOUNG,

CHET EDWARDS,

SAM FARR,

ALLEN BOYD,

SANFORD D. BISHOP, Jr.,

NORMAN DICKS,

DAVID OBEY,

Managers on the Part of the House.

KAY BAILEY HUTCHISON,

CONRAD BURNS,

LARRY E. CRAIG,

MIKE DEWINE,

SAM BROWNBACK,

TED STEVENS,

DIANNE FEINSTEIN,

DANIEL K. INOUE,

TIM JOHNSON,

MARY LANDRIEU,

ROBERT C. BYRD,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2559) making appropriations for the Department of Defense for the fiscal year ending September 30, 2004, and for other purposes, submit the following joint statement to the House of Representatives and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The Senate deleted the entire House bill after the enacting clause and inserted the Senate bill (S. 1357). The conference agreement includes a revised bill.

ITEMS OF GENERAL INTEREST

Matters Addressed by Only One Committee.—The language and allocations set forth in House Report 108-173 and Senate Report 108-82 should be complied with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House which is not changed by the report of the Senate or the conference, and Senate report language which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases where the House or the Senate have directed the submission of a report from the Department of Defense, such report is to be submitted to both House and Senate Committees on Appropriations.

Army National Guard and Reserve Mobilization Facilities.—The conferees are concerned about the growing demand being placed upon mobilization facilities required to support Army National Guard and Reserve personnel. The conferees, therefore, direct the Chief of Staff of the Army to submit a report no later than April 15, 2004, which assesses the current status of Army National Guard and Reserve mobilization facilities and describes their adequacy to house, train, prepare, mobilize and demobilize soldiers. In particular the report should assess and make recommendations regarding mobilization centers' capacity to billet soldiers held for extended periods of time including for medical care and evaluation purposes. Likewise, the report should evaluate and make recommendations to improve the management of billeting resources that support mobilization.

Audit Trail Documents.—The conferees direct the Department to reinstate, beginning in March 2004, the semi-annual submission of audit trail documents as directed in House Report 99-275. These reports shall include line item detail on projects as budgeted in the

Construction Annex and also include line item detail on projects funded under Minor Construction and Family Housing Improvements. The semi-annual reports shall include, but not be limited to, the following: (a) project amount (appropriation); (b) changes due to formal and below threshold reprogrammings; and (c) the current working estimate for each project. The audit trail documents shall reflect projects from fiscal year 2000 forward.

Barracks Privatization.—The conferees agree that the Department should implement without delay the recommendations in General Accounting Office (GAO) report “Military Housing: Opportunities That Should Be Explored to Improve Housing and Reduce Costs for Unmarried Junior Service members, GAO-03-602, June 10, 2003.” One of the findings of the GAO report is that the Department of Defense (DoD) and the services had not fully explored barracks privatization to determine whether the concept could provide a better economic value to the government than the use of military construction financing. As indicated in the FY 2003 Conference Report, the conferees continue to support the barracks privatization initiative and look forward to the Department of Navy report on lessons learned after implementation of three pilot projects (one in Norfolk, Virginia, and one each in San Diego and Camp Pendleton, California). The conferees continue to be concerned about the unknown consequences of commingling barracks privatization funds with family housing funds and the resulting integrity of the fiscal audit trail. Specifically, the conferees are concerned that the DoD and Congress must be able to clearly identify and track the financial advantages of privatizing unaccompanied barracks versus the traditional military construction approach. Merging the family housing and unaccompanied housing accounts cannot be endorsed by the conferees until further clarification of the project scope, debt structure, and impact on funding requirements can be presented.

Family Housing Operation and Maintenance: Financial Management.—The conferees agree to continue the restriction on the transfer of funds among subaccounts in the family housing operation and maintenance accounts. The limitation is ten percent to all primary accounts and subaccounts. Such transfers are to be reported to the appropriate Committees within thirty days of such action.

Family Housing Operation and Maintenance Reductions.—The conferees are concerned that the assumptions and methods underlying the budget request for family housing operation and maintenance accounts are not adequately explained by the service components. To better evaluate the efficacy of these estimates, and to more fully understand this account and its subaccounts, the conferees direct the GAO to conduct a study on the assumptions and methods utilized by each service component to develop their respective estimates, and to report to Congress no later than April 15, 2004.

Because of apparent miscalculations in estimating requirements, the conferees agree to reduce \$10,000,000 each from the Army and Air Force operation and maintenance accounts. In addition, the conferees agree to reduce \$17,700,000 from the Navy account, of which \$7,700,000 is from the management account. Unlike the other service components, the Navy failed to adequately account for the reduction in housing units due to the public/private venture initiative.

The conferees are extremely concerned about transfers between the various family housing operation and maintenance subaccounts. Therefore, in addition to the above GAO study, the conferees direct GAO to review the transfer of funds between these accounts, including amounts over and under the established threshold and to report to Congress no later than April 15, 2004.

Housing Privatization: Rescission of Funds and Notification Requirements of Reductions in Funding.—The conferees agree to rescind \$48,099,000 from Family Housing Construction accounts to reflect savings from projects where estimated equity contributions were unnecessary. Section 2853 of Title 10, United States Code, requires congressional notification of intent to cancel or reduce the scope of a previously approved military construction or family housing project by more than 25 percent. The conferees note this requirement applies to funds appropriated in the family housing improvement accounts for the purpose of privatizing military family housing. The Service Secretaries are, therefore, required to submit a 21-day prior notification of intent to cancel or reduce the amount previously appropriated for a specific housing privatization project by more than 25 percent. The notification shall include the amount of the reduction and the reasons therefor.

Clarification of Housing Privatization Reporting Requirements.—In accordance with current law, the Service Secretaries are required to submit a 30-day prior notification of each contract for the acquisition or construction of family housing units that the Secretary proposes to solicit under the housing privatization authorities and for each conveyance or lease proposed under Section 2878 of Title 10, United States Code.

Overseas Master Plans.—The conferees direct the Department to prepare comprehensive master plans for overseas military infrastructure and to submit the plans with the fiscal year 2006 budget submission instead of the fiscal year 2005 budget submission as proposed by the Senate. In addition, the conferees agree a report on the status of the comprehensive plans and their implementation is to be submitted with each yearly military construction budget submission through fiscal year 2009 instead of fiscal year 2008 as proposed by the Senate. Master plans are valuable planning documents. Therefore, the conferees may extend this requirement to installations in the continental United States.

Perchlorate.—The conferees direct the Department to submit a report identifying the sources of perchlorate on Base Realignment and Closure (BRAC) properties and the plans to remediate perchlorate contamination on these sites no later than April 30, 2004, instead of March 30, 2004 as proposed by the Senate.

MILITARY CONSTRUCTION, ARMY

(INCLUDING RESCISSIONS)

The conference agreement appropriates \$1,448,239,000 for Military Construction, Army, instead of \$1,533,660,000 as proposed by the House and \$1,255,155,000 as proposed by the Senate. Within this amount, the conference agreement earmarks \$126,833,000 for study, planning, design, architect and engineer services, and host nation support instead of \$122,710,000 as proposed by the House and \$134,645,000 as proposed by the Senate. The conference agreement rescinds \$183,615,000 from funds previously provided to this account as proposed by the House and Senate. The rescissions include the following amounts:

Public Law/location	Project title	House	Senate	Conference
Public Law 107-249 (FY 2003):				
Germany: Bamberg	Child Development	-\$7,000,000	-\$7,000,000	-\$7,000,000

	Center			
Germany: Bamberg	Barracks Complex—Warner	-10,200,000	-10,200,000	-10,200,000
Germany: Coleman Barracks	Upgrade Access Control Points	-1,350,000	-1,350,000	-1,350,000
Germany: Darmstadt	Modified Record Fire Range	-3,500,000	-3,500,000	-3,500,000
Germany: Mannheim	Barracks Complex—Coleman	-42,000,000	-42,000,000	-42,000,000
Germany: Schweinfurt	Central Vehicle Wash Facility	-2,000,000	-2,000,000	-2,000,000
Korea: Camp Bonifas	Physical Fitness Training Center	-4,350,000	-4,350,000	0
Korea: Camp Castle	Physical Fitness Training Center	-6,800,000	-6,800,000	-6,800,000
Korea: Camp Hovey	Barracks Complex	-25,000,000	-25,000,000	-25,000,000
Korea: K-16 Airfield	Barracks Complex	-40,000,000	-40,000,000	-40,000 000
Subtotal		- 142,200,000	- 142,200,000	- 137,850,000
Public Law 107-64 (FY 2002):				
Korea: Camp Hovey	Barracks Complex—Bid Savings	-10,770,000	-10,770,000	-10,770,000
Korea: Camp Stanley	Barracks Complex—Bid Savings	-13,230,000	-13,230,000	-13,230,000
Subtotal		-24,000,000	-24,000,000	-24,000,000
Public Law 106-246 (FY 2001): Korea: Camp Page	Barracks Complex	-17,415,000	-17,415,000	-17,415,000
Subtotal		-17,415,000	-17,415,000	-17,415,000
Public Law 106-52 (FY 2000): Korea: Camp Bonifas	Physical Fitness Training Center	0	0	-4,350,000
Subtotal		0	0	-4,350,000
Total		- 183,615,000	- 183,615,000	- 183,615,000

Alabama—Anniston Army Depot: Powertrain Maintenance Facility.—The conferees agree that within funds provided for planning and design in this account, \$1,000,000 shall be made available to design this facility instead of \$1,050,000 in minor construction funds to construct a general instruction building at Anniston Army Depot, Alabama as proposed by the House.

Korea—Camp Humphreys: Barracks.—The administration has informed Congress of its plans to move substantial numbers of United States forces in Korea to bases south of their present locations, with Camp Humphreys being the primary consolidation point for the shift of U.S. Army combat forces and for personnel currently stationed at Yongsan

Garrison. To support this transformation, the May 1, 2003 budget amendment requested that \$212,000,000 in FY 2004 and prior year construction projects intended for other bases in Korea be moved to Camp Humphreys; extensive additional construction at the base is planned for future fiscal years. However, according to U.S. Forces Korea officials, no master plan exists for construction at Camp Humphreys, and cost-sharing arrangements to fund the move of U.S. forces are still under negotiation between the governments of the United States and the Republic of Korea.

While the conferees support the Defense Department's overall plan for the relocation of U.S. forces in Korea and have provided funding in this appropriations bill for two projects at Camp Humphreys, they are concerned that planning for this significant undertaking is insufficiently developed at this time. Though planning may proceed, construction may not proceed on the two barracks at Camp Humphreys provided for in this Act until:

- (1) A master facilities plan is developed for the entire Camp Humphreys installation which accommodates the anticipated relocation of U.S. forces to that facility; and
- (2) Cost-sharing arrangements for the relocation of U.S. forces are agreed to by the governments of the United States and the Republic of Korea.

Upon completion, the master facilities plan should be presented to the Military Construction Subcommittees.

MILITARY CONSTRUCTION, NAVY

(INCLUDING RESCISSIONS)

The conference agreement appropriates \$1,238,458,000 for Military Construction, Navy, instead of \$1,211,077,000 as proposed by the House and \$1,195,659,000 as proposed by the Senate. Within this amount, the conference agreement earmarks \$71,001,000 for study, planning, design, architect and engineer services instead of \$65,612,000 as proposed by the House and \$77,283,000 as proposed by the Senate. The conference agreement rescinds \$45,622,000 from funds previously provided to this account instead of \$39,322,000 as proposed by the House and Senate. The rescissions include the following amounts:

Public Law/location	Project title	House	Senate	Conference
Public Law 107-249 (FY 2003):				
North Carolina: Cherry Point	T-56 Jet Engine Test Cell	-5,942,000	-5,942,000	-5,942,000
Greece: Larissa	Bachelor Enlisted Quarters	-6,592,000	-6,592,000	-6,592,000
Iceland: Keflavik NAS	Combined Dining Facility	-14,679,000	-14,679,000	-14,679,000
Subtotal		-27,213,000	-27,213,000	-27,213,000
Public Law 107-64 (FY 2002):				

California: El Centro NAF	Transient Quarters—Bid Savings	0	0	-2,100,000
Guam: Guam NSA	Bachelor Enlisted Qtrs—Bid Savings	0	0	-4,200,000
Greece: Larissa	Bachelor Enlisted Quarters	12,109,000	12,109,000	-12,109,000
Subtotal		12,109,000	12,109,000	-18,409,000
Total		39,322,000	39,322,000	-45,622,000

MILITARY CONSTRUCTION, AIR FORCE

(INCLUDING RESCISSION)

The conference agreement appropriates \$1,067,751,000 for Military Construction, Air Force, instead of \$896,136,000 as proposed by the House and \$1,056,377,000 as proposed by the Senate. Within this amount, the conference agreement earmarks \$95,778,000 for study, planning, design, architect and engineer services instead of \$80,543,000 as proposed by the House and \$112,075,000 as proposed by the Senate. Though not included in the House or Senate bills, the conference agreement rescinds \$23,000,000 from funds provided to this account in Public Law 107-249 to reflect a classified project that is no longer needed.

Alaska—Eielson Air Force Base: Replace Working Dog Kennel.—The conferees agree that within funds provided for unspecified minor construction in this account, \$1,400,000 shall be made available to construct this facility instead of construction of a kennel at Elmendorf Air Force Base, Alaska as proposed by the Senate.

California—Vandenberg Air Force Base: Consolidated Fitness Center.—Although the conferees were unable to fund this project due to severe funding constraints, the conferees recognize the importance and necessity of this facility and strongly urge the Secretary of Defense to include the project in the President's fiscal year 2005 budget submission for the Air Force.

Wyoming—F.E. Warren Air Force Base: Stormwater Drainage System.—Although the conferees were unable to fund this project due to severe funding constraints, the conferees recognize the importance and necessity of this project and strongly urge the Secretary of Defense to include the project in the President's fiscal year 2005 budget submission for the Air Force.

MILITARY CONSTRUCTION, DEFENSE-WIDE

(INCLUDING RESCISSION AND TRANSFER OF FUNDS)

The conference agreement appropriates \$773,471,000 for Military Construction, Defense-wide, instead of \$813,613,000 as proposed by the House and \$712,567,000 as proposed by the Senate. Within this amount, the conference agreement earmarks \$65,130,000 for study, planning, design, architect and engineer services instead of

\$63,884,000 as proposed by the House and \$70,881,000 as proposed by the Senate. The conference agreement rescinds \$72,309,000 from funds previously provided to this account instead of \$32,680,000 as proposed by the House and Senate. The rescission includes the following amounts:

Public Law/location	Project title	House	Senate	Conference
Public Law 107-249 (FY 2003):				
Germany: Spangdahlem AB	Elementary School Classroom Addition	-997,000	-997,000	-997,000
Germany: Spangdahlem AB	Hospital Replacement	0	0	-39,629,000
Korea: Seoul	Middle School Replacement	31,683,000	31,683,000	-31,683,000
Total		32,680,000	32,680,000	-72,309,000

Chemical Demilitarization.—As proposed by the House, the conferees include funding for the construction of chemical demilitarization facilities in the “Military Construction, Defense-wide” account. The budget request proposed consolidating the military construction component of the Chemical Demilitarization program in the “Chemical Agents Munitions Defense” account funded in the Defense Appropriations bill. In the future, the Department is directed to request military construction requirements for this program under the “Military Construction, Defense-wide” account.

Energy Conservation Investment Program: Renewable Energy Assessment.—The conferees direct the Department to submit a final report regarding an assessment of the regional potential of renewable energy generation, transmission, and distribution by industry on or near Department of Defense installations in the United States no later than November 30, 2004, instead of July 31, 2004 as proposed by the Senate.

Energy Conservation Investment Program: Overseas Projects.—Due to uncertainties regarding the future of overseas facilities, the Department is directed to obligate no funds from the Energy Conservation Investment Program to overseas projects.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

The conference agreement appropriates \$311,592,000 for Military Construction, Army National Guard, instead of \$208,033,000 as proposed by the House and \$304,085,000 as proposed by the Senate.

California—Sacramento: Organizational Maintenance Shop.—The conferees agree that within funds provided for planning and design in this account, \$306,000 shall be made available to design this facility instead of to design a readiness center as proposed by the Senate.

Colorado—Fort Carson: Centennial Training Site (Phases II and III).—Of the funds provided for planning and design in this account, the conferees direct that not less than \$3,000,000 be made available to design this facility.

Georgia—Hunter Army Airfield: Readiness Center.—The conferees encourage the Army National Guard to include this project in the fiscal year 2005 budget request instead of an Army Aviation Support Facility at Hunter Army Airfield as proposed by the House.

Idaho—Gowen Field: TASS Barracks.—The conferees agree that within funds provided for planning and design in this account, \$1,140,000 shall be made available to design this facility instead of for minor construction as proposed by the Senate.

Iowa—Fort Dodge: Readiness Center.—The conferees agree that within funds provided for unspecified minor construction, \$1,500,000 shall be made available to construct this facility instead of constructing a readiness center at Camp Dodge, Iowa as proposed by the Senate.

Missouri—Fort Leonard Wood: Weapons of Mass Destruction (WMD) Responder Training Facility.—Funding was allocated in fiscal year 2003 to design this new training facility. Fort Leonard Wood is providing individual and certification training for Weapons of Mass Destruction Civil Support Teams and DOD Installation Emergency Responders. There are currently no dedicated facilities to provide this training. Training of Chemical, Biological, Radiological, and Nuclear Installation Support Teams, Rapid Response Teams, and Reconnaissance and Decontamination Teams for Civil Support has been directed. Construction of the facility is urgently needed to continue this critical homeland security training. The conferees, therefore, strongly urge the Army to advance this project in the fiscal year 2005 budget request.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

The conference agreement appropriates \$222,908,000 for Military Construction, Air National Guard, instead of \$77,105,000 as proposed by the House and \$221,013,000 as proposed by the Senate.

MILITARY CONSTRUCTION, ARMY RESERVE

The conference agreement appropriates \$88,451,000 for Military Construction, Army Reserve, instead of \$84,569,000 as proposed by the House and \$73,979,000 as proposed by the Senate.

MILITARY CONSTRUCTION, NAVAL RESERVE

The conference agreement appropriates \$45,498,000 for Military Construction, Naval Reserve, instead of \$38,992,000 as proposed by the House and \$34,742,000 as proposed by the Senate.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

The conference agreement appropriates \$62,032,000 for Military Construction, Air Force Reserve, instead of \$56,212,000 as proposed by the House and \$57,426,000 as proposed by the Senate.

NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

(INCLUDING RESCISSION)

NATO Security Investment Program (NSIP).—The conferees agree to rescind \$8,000,000 from prior appropriations due to the slow spend out rate of the program and the recurrence of carryover amounts.

FAMILY HOUSING CONSTRUCTION, ARMY**(INCLUDING RESCISSION)**

The conference agreement appropriates \$383,591,000 for Family Housing Construction, Army, instead of \$409,191,000 as proposed by the House and the Senate. The conference agreement rescinds \$94,151,000 from funds previously provided to this account instead of \$52,300,000 as proposed by the House and Senate. The rescissions include the following amounts:

Public Law/location	Project title	House	Senate	Conference
Public Law 107-249 (FY 2003):				
Hawaii: Schofield Barracks	Privatize Family Housing	0	0	-21,000,000
Virginia: Fort Belvoir	Privatize Family Housing	0	0	-8,700,000
Germany: Darmstadt	Improve 48 units	-4,200,000	-4,200,000	-4,200,000
Germany: Mannheim	Improve 72 units	10,400,000 ⁻	10,400,000 ⁻	-10,400,000
Germany: Mannheim	Improve 60 units	10,000,000 ⁻	10,000,000 ⁻	-10,000,000
Germany: Heidelberg	Improve 75 units	0	0	-12,151,000
Germany: Schweinfurt	Improve 234 units	-7,600,000	-7,600,000	-7,600,000
Germany: Vilseck	Improve 36 units	-3,900,000	-3,900,000	-3,900,000
Germany: Wuerzburg	Improve 136 units	11,200,000 ⁻	11,200,000 ⁻	-11,200,000
Korea: Yongsan	Improve 8 units	-1,900,000	-1,900,000	-1,900,000
Korea: Yongsan	Replace 10 units	-3,100,000	-3,100,000	-3,100,000
Total		52,300,000 ⁻	52,300,000 ⁻	-94,151,000

Construction Improvements.—The conferees agree to reduce the amount provided for construction improvements in this account by \$25,600,000 to reflect savings from two projects no longer required in Baumholder, Germany.

FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

The conference agreement appropriates \$1,033,026,000 for Family Housing Operation and Maintenance, Army instead of \$1,043,026,000 as proposed by the House and the

Senate.

As proposed by the House, the conferees agree that operation and maintenance funds should be authorized for one year rather than for two years as proposed by the Senate.

FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS
(INCLUDING RESCISSION)

The conference agreement rescinds \$40,508,000 from funds previously provided to this account instead of \$3,585,000 as proposed by the House and Senate. The rescission includes the following amounts:

Public Law/location	Project title	House	Senate	Conference
Public Law 107-249 (FY 2003):				
California Monterey NPGS	Privatize Family Housing	0	0	-18,399,000
Hawaii: Oahu	Privatize Family Housing—Bid Savings	- 3,585,000	- 3,585,000	-3,585,000
United Kingdom: Saint Mawgan	Replace 62 units	0	0	-18,524,000
Total		- 3,585,000	- 3,585,000	-40,508,000

FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS

The conference agreement appropriates \$835,078,000 for Family Housing Operation and Maintenance, Navy and Marine Corps, instead of \$852,778,000 as proposed by the House and the Senate.

As proposed by the House, the conferees agree that operation and maintenance funds should be authorized for one year rather than for two years as proposed by the Senate.

FAMILY HOUSING CONSTRUCTION, AIR FORCE
(INCLUDING RESCISSION)

The conference agreement appropriates \$657,065,000 for Family Housing Construction, Air Force, as proposed by the House, instead of \$657,026,000 as proposed by the Senate. The conference agreement rescinds \$19,347,000 from funds previously provided to this account instead of \$29,039,000 as proposed by the House and Senate. The rescission includes the following amounts:

Public Law/location	Project title	House	Senate	Conference
Public Law 107-249 (FY 2003):	Improve Family	-	-	-19,347,000

Germany Spangdahlem AB	Housing	19,347,000	19,347,000	
Subtotal		- 19,347,000	- 19,347,000	-19,347,000
Public Law 105-237 (FY 1999): Florida: Patrick AFB	Privatize Family Housing	-9,692,000	-9,692,000	0
Subtotal		-9,692,000	-9,692,000	0
Total		- 29,039,000	- 29,039,000	-19,347,000

The House and Senate proposed rescinding \$9,692,000 from this account for funds no longer required for a housing privatization project at Patrick Air Force Base, Florida. The Department, however, transferred these funds to the Family Housing Improvement Fund (FHIF) before their authorization expired. The conference agreement, therefore, rescinds this amount from the FHIF.

FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE

The conference agreement appropriates \$816,074,000 for Family Housing Operation and Maintenance, Air Force, instead of \$826,074,000 as proposed by the House and \$834,468,000 as proposed by the Senate.

As proposed by the House, the conferees agree that operation and maintenance funds should be authorized for one year rather than for two years as proposed by the Senate.

FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE

As proposed by the House, the conferees agree that operation and maintenance funds should be authorized for one year rather than for two years as proposed by the Senate.

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

(INCLUDING RESCISSION)

As discussed in the Family Housing Construction, Air Force account, the conference agreement rescinds \$9,692,000 from this account because it is no longer required for a housing privatization project at Patrick Air Force Base, Florida.

BASE REALIGNMENT AND CLOSURE ACCOUNT

New York—Seneca Army Depot.—The conferees expect the Army to comply fully with environmental remediation and building maintenance requirements as required under the BRAC process at Seneca Army Depot. The conferees direct the Army to provide a report to the Military Construction Subcommittees by March 15, 2004, detailing the current status of cleanup at Seneca Army Depot, and to include a schedule for conveying the property to the local economic development authority.

GENERAL PROVISIONS

The conference agreement includes general provisions (sections 101-122) that were not amended by either the House or Senate in their versions of the bill.

The conference agreement includes a provision, section 123, as proposed by the Senate, which requires the Secretary of Defense to notify Congressional Committees sixty days prior to issuing a solicitation for a contract with the private sector for military family housing. The House bill contained no similar provision.

The conference agreement includes a provision, renumbered section 124, as proposed by the House and the Senate, which provides transfer authority from the Base Realignment and Closure (BRAC) account to the Homeowners Assistance Program.

The conference agreement includes a provision, renumbered section 125, as proposed by the House, regarding funding for operation and maintenance of General and Flag Officer Quarters (GFOQs) to no more than \$35,000 per year without notification. The Senate bill contained a similar provision with additional language permitting the use of gift funds pursuant to 10 U.S.C. 2601 for the maintenance and repair of GFOQs.

The conference agreement includes a provision, renumbered section 126, as proposed by the House and the Senate, which limits funds from being transferred from this appropriation measure to any department, agency, or instrumentality of the United States Government without authority from an appropriation Act.

The conference agreement includes a provision, section 127, as proposed by the Senate, which prohibits funds appropriated for the NSIP from being obligated or expended for the purpose of missile defense studies. The House bill contained no similar provision. The conferees are concerned about the increased use of NSIP funds to finance studies rather than construction projects. The conferees, therefore, direct the Department to submit written notification to the Military Construction Appropriations Subcommittees 21 days prior to obligating NSIP funds for any study.

The conference agreement includes a provision, section 128, as proposed by the Senate, which establishes a commission to review the overseas military force structure and to provide a report of its findings to the President and Congress no later than December 31, 2004.

Those general provisions not included in the conference agreement are as follows:

The conference agreement deletes the House provision requiring the Secretary of Defense to certify and report to Congress that the United States and the Republic of Korea have entered into an agreement on the availability of land before obligating or expending funds made available in the bill for construction projects at Camp Humphreys, Korea. The Senate bill contained no similar provision.

CQ Editor's Note:

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CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2004 recommended by the Committee of Conference, with comparisons to the fiscal year 2003 amount, the 2004 budget estimates, and the House and Senate bills for 2004 follow:

[In thousands of dollars]

New budget (obligational) authority, fiscal year 2003	\$10,698,800
Budget estimates of new (obligational) authority, fiscal year 2004	9,117,281
House bill, fiscal year 2004	9,196,000
Senate bill, fiscal year 2004	9,196,000
Conference agreement, fiscal year 2004	9,316,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 2003	-1,382,800
Budget estimates of new (obligational) authority, fiscal year 2004	+198,719
House bill, fiscal year 2004	+120,000
Senate bill, fiscal year 2004	+120,000

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Tim Johnson,

Mary Landrieu,

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Managers on the Part of the Senate.

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